GALLAHER COMMENTS ON AMENDED VERSION OF ICOSI PAPERS DATED 2nd JUNE 1978

Introduction

The six papers covering the Role and Purpose of ICOSI, Governors, Executive, Secretary General/Secretariat and ICOSI's location are a broad survey and not in legal language. Some parts would be incorporated in to legal documents eg a corporate charter, while others indicate working procedures which might be adopted formally by the Board of Governors or Executive Committee or merely accepted by Members as an agreed understanding.

The first part of these comments selects key items while the second part touches on detail or highlights points which will need consideration when it comes to final drafting of legal or other formal documents.

Key Points

1 The Role and Purpose of ICOSI (Paper 1, Page 1, Para 4)

'As far as is possible all Members and Associate Members shall be bound by the decisions of ICOSI'.

Gallaher accept the spirit of this principle but for legal purposes it would need clarification and a better preamble might be 'except in exceptional circumstances ..'. Should we also think of a procedure or an understanding by which, where a member departs from a major decision of ICOSI, he would inform ICOSI of this departure?

2 Membership of the Board and Executive Committee

We agree that each full member company should have one Member of the Board and one vote. We believe there should be arrangements for an Alternate to attend in his place in exceptional circumstances and to exercise the Member company's vote.

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The arrangement that the Member (or his Alternate) could be assisted by up to two representatives is a working arrangement to limit the size of meetings and should not be written into the constitutional legal documents.

We suggest that the arrangements for the Executive Committee should mirror those for Board of Governors.

3 Voting

We believe that voting in ICOSI at all levels, Board, Executive Committee and Sub-Committees, should be unanimous on all subjects as there could be no satisfactory way of differentiating between major and minor subjects. We do not believe this will hold up speed of action as company representatives will know they have to find acceptable compromises which all members will actively support.

4 Location of ICOSI

We agree with the analysis of the problem but the overall consideration must be the effective long term operations of the organisation which includes good communications for members and with key outside bodies. A major consideration must be a location to which we could attract the right staff, particularly the Secretary General. We, therefore, believe that costs (and these include corporate and personal taxation) should not be allowed to dictate a second best choice.

The advantages of Brussels seem very considerable.

Minor Points

Paper One - The Role and Purpose of ICOSI

Page 2, para 2: New membership to be agreed unanimously.

Page 2, para 3: In the event of resignation the member should perhaps be responsible for costs committed or work commissioned before resignation.

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Page 2, para 6: Careful wording of the areas which are not ICOSI's concern will be needed eg advertising codes might need to be discussed.

Paper Two - The Governors of ICOSI and their Role

Page 1, para 3: There may be special circumstances when ICOSI needs continuity in its Chairman at some critical time. The ability to re-elect unanimously for one additional year might be desirable.

The description of the different ways the Chairman might deal with problems is obviously sensible and doubtless the Chairman would at the same time keep his fellow Governors fully informed of developments.

Page 2, para 2: The powers and responsibilities will vary as time goes on and it may, therefore, be better that is should be covered by a Resolution of the Board of Governors rather than be defined in any detail in the Constitution.

Page 2, para 3: We agree that on day to day matters the Secretary General should be operationally responsible to the Chairman of the Executive Committee. We think, however, that his job description should make him responsible to the Chairman of the Board of Governors who will in effect have delegated authority in certain areas to the Chairman of the Executive Committee.

Page 2, para 6: We think the period of office for the Executive Committee Chairman should also be extendable in exceptional circumstances. In the initial stage it is obvious that this Chairman will be one of the Executive Committee members but we do not think it should be made impossible to

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appoint a non-voting Chairman from elsewhere eg the Secretary General, an employee of a member company or some outside individual such as a lawyer or a neutral independent person.

Paper three

Page 1, para 5: There should perhaps be inserted at the end of the second sentence 'on matters delegated to them by the Board'.

Page 1, para 6: Sub Committee. Decisions to be unanimous and if this proves impossible the point to be referred back to the Executive Committee. Special arrangements to be made where a member company does not have a representation on any sub-committee. We suggest papers must be circulated to that member company and decision be ratified.

Page 2, para 1: There should be power for the Chairman of the Executive Committee to be a non-member, eg the Secretary General, but in that case would not have a vote.

Paper four

Page 2, para 3: We agree that the Secretary General would represent the Board and the Executive Committee and discuss ICOSI operations with other bodies and this must be within guidelines laid down by the Executive Committee or Board as appropriate.

Paper five

No comment.

Paper six

No comment.

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